

ARKANSAS REGISTER

Transmittal Sheet

Use only for **FINAL** and **EMERGENCY RULES**



Secretary of State

Mark Martin

500 Woodlane, Suite 026

Little Rock, Arkansas 72201-1094

(501) 682-5070

www.sos.arkansas.gov



For Office

Use Only:

Effective Date _____ Code Number _____

Name of Agency Department of Human Services

Department Division of Medical Services

Contact Alexandra Rouse E-mail alexandra.rouse@dhs.arkansas.gov Phone 501-508-8875

Statutory Authority for Promulgating Rules Arkansas Code Annotated 20-76-201

Rule Title: _____

Intended Effective Date

(Check One)



Emergency (ACA 25-15-204)

Legal Notice Published

Date
N/A



10 Days After Filing (ACA 25-15-204)

Final Date for Public Comment

N/A



Other _____
(Must be more than 10 days after filing date.)

Reviewed by Legislative Council

TBA

Adopted by State Agency

04/01/2020

Electronic Copy of Rule e-mailed from: (Required under ACA 25-15-218)

Jack Tiner

jack.tiner@dhs.arkansas.gov

03/20/2020

Contact Person

E-mail Address

Date

CERTIFICATION OF AUTHORIZED OFFICER

I Hereby Certify That The Attached Rules Were Adopted
In Compliance with the Arkansas Administrative Act. (ACA 25-15-201 et. seq.)



Signature

(501) 371-2165

janet.mann@dhs.arkansas.gov

Phone Number

E-mail Address

Director

Title

March 20, 2020

Date

ARKANSAS LEGISLATIVE COUNCIL

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**Room 315, State Capitol Building
Little Rock, AR 72201**

Marty Garrity

Executive Secretary

Tel: 501-682-1937

Fax: 501-682-1936

March 19, 2020

Mr. Mark White, Chief of Legislative & Intergovernmental Affairs
Arkansas Department of Human Services
700 Main Street
Little Rock, Arkansas 72203

Dear Mr. White:

This letter is to notify you that, the Executive Subcommittee exercised the power granted to it under Arkansas Code § 10-3-309(d)(2)(B) and ALC Rule 22(f)(2)(B) to review and approve emergency rules in writing on March 18, 2020. The following emergency rule was reviewed and approved, and the review and approval was effective at 12:00 noon, Friday, March 20, 2020:

- ***Dept. of Human Services, Division of Medical Services***, emergency rule to adjust the SPA #2020-007 Durable Medical Equipment Rate – Section 1903(i)(27) of the Social Security Act sets a maximum Medicaid reimbursement rate for durable medical equipment. This emergency rule revises the Arkansas Medicaid State Plan maximum unit reimbursement rate for durable medical equipment to conform with Section 1903(i)(27).

A copy of the emergency rules are attached for your information.

Sincerely,

A handwritten signature in black ink, appearing to read "Marty Garrity", is written over a horizontal line.

Marty Garrity
Executive Secretary

MG:sla

cc: Ms. Alexandra Rouse, Deputy Chief of Legislative & Intergovernmental Affairs, DHS
(via electronic mail)

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
OTHER TYPES OF CARE

April 1, 2020

7. Home Health Services (Continued)

c. Medical Supplies, Equipment and Appliances Suitable for Use in the Home (continued)

- (2) Durable Medical Equipment (DME) - Reimbursement is based on amount billed not to exceed the Title XIX maximum.

Effective for claims with dates of service on or after April 1, 2020, the reimbursement rate maximums for codes will be set subject to Section 1903(i)(27) of the Social Security Act. All rates are published on the agency's website (<http://medicaid.mmis.arkansas.gov/>). Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers.

Purchase: The Title XIX maximum for new equipment is based on Medicare's 1990 DME Fee Schedule. For those items which Medicare did not have a rate, the lowest manufacturer cost plus 10% was used. Arkansas Medicaid is following Medicare's policy of purchasing any item that costs \$150.00 or less.

Rental or Capped Rental: Capped Rental equipment may not be rented for more than four hundred and fifty-five (455) consecutive days. The reimbursement rates for capped rental items will be established by dividing the purchase price by four hundred and fifty-five (455) days to arrive at a daily rental rate. Once the four hundred and fifty-five (455) day rental maximum is reached, Arkansas Medicaid will cease to pay rent on the equipment, however the equipment will remain in the recipient's home as long as determined medically necessary by the recipient's physician. The equipment will remain the property of the DME company.

A provider may bill for maintenance. However, this maintenance fee may not be billed until either one hundred and eighty-two (182) days have elapsed after the four hundred and fifty-five (455) day rental period or one hundred and eighty-two (182) days have elapsed from the end of the period the item is no longer covered under the suppliers or manufacturer's warranty, whichever is later. Maintenance will continue to be paid at six-month intervals if equipment is determined to be medically necessary. Reimbursement of the maintenance is the lesser of the amount billed or the Title XIX maximum. The Title XIX maximum was established by arraying all the Title XIX monthly maximums for capped rental items and utilizing the 50th percentile.

For those items which are rental only, the Medicare 1990 DME Fee Schedule monthly rental rate was used to calculate the Medicaid daily rental rate. The Medicare monthly rental rate was multiplied by twelve (12) to determine the one-year rental amount and divided by three hundred and sixty-five (365) to arrive at the Medicaid daily rental amount.